

**Mufi Hannemann**  
Mayor  
City and County of Honolulu

State of the City Address  
City Council Chambers  
February 24, 2005  
10:00 a.m.

Chairman Donovan Dela Cruz, members of the Honolulu City Council, distinguished guests, ladies and gentlemen.

It is an honor to return to the chambers where I spent many an hour, not that very long ago. The faces have changed, to be sure, but not the energy or the enthusiasm of those of you who are committed to serving the people of the City and County of Honolulu. I am indeed grateful to Chairman Dela Cruz and the Councilmembers for inviting Gail, my extended ohana, and me to share in that spirit this morning.

I have been in office for less than two months, 53 days to be exact. My immediate priority upon becoming mayor was to name a cabinet and pick a staff. I'm very proud of my team, and I ask them to please stand and be recognized ...

These individuals will prove, in time, to be among the best servant-leaders the City has had. They are professional, committed, and responsive, as you've no doubt experienced in these first two months. I've told them the most important relationship we have in City Hall is with the members of the City Council, and you may be assured they will live up to that expectation, especially if you give my cabinet a chance to serve through your Council confirmation process.

The rest of my time has involved adding detail to the priorities of my administration and refamiliarizing myself with City government, this time on a much broader operational level. There have been issues carried over from the past administration requiring our

attention and resolution. And, of course, we've had to find out quickly where we stand on our finances and craft a budget for your consideration.

This process has enabled me to gain a much deeper appreciation of the depth and breadth of our duties, and particularly the men and women who ultimately bear the responsibility for serving the public and running City government. These are dedicated, capable public servants, and I am very proud to serve shoulder-to-shoulder with them.

During my campaign for this office, I had said repeatedly that I wanted to shed light on a budget that had been kept in the dark for too long. That vow had been prompted by my experience on the City Council, where we had been frustrated by the previous administration's lack of candor about where money came from, and how and why it was being spent.

It was largely for this reason that I created the Mayor's Review, a committee of executive-level volunteers from business, government, labor, and the non-profit community, headed by my unpaid senior advisor Paul Yonamine, who was joined by my policy advisor John Zabriskie, another volunteer. Paul and John are seasoned executives with extensive experience in business and financial management and auditing. The review group, which eventually numbered 60, was charged with conducting an independent, top-to-bottom examination of City government. Their only instructions were, "Get the facts and give me the truth."

While it's being driven largely by those from outside City government, we have encouraged City employees to step forward and offer their ideas and recommendations—and they have responded to our call in very encouraging numbers and with many terrific ideas.

The chairs of the Mayor's Review subcommittees, all busy people who took time from their professional obligations to help the City, are with us this morning and I ask that you

join me in recognizing them for their work—a total of 35 hundred hours for this first phase alone.

I am committed to rectifying the problems identified by the Mayor's Review team and look forward to the City Council's full support for subsequent phases. The findings of that review provide the starting point for my straightforward talk on the state of our City.

## **Finances**

The conclusions reached by the Mayor's Review serve to confirm sentiments I had often conveyed in these very chambers as a Councilmember and expressed in my campaigns for mayor.

A clever game of budgetary obfuscation and misdirection was clearly perpetrated on the people of the City and County of Honolulu by my predecessor to delay raising taxes or cutting services.

Although I will be more specific on the details of our fiscal year 2006 budget when we submit it to you next week, here are some of the conditions that determined, if not constrained, the course of our budget deliberations thus far.

The Mayor's Review revealed that debt service is fast-approaching public safety—police, fire, and the like—as a share of our annual expenditures during the next 5 years. The amount we pay each year in interest and principal stands at 194 million dollars, nearly 20 percent of our budget. Our debt service for 2006 is expected to increase by 40 million dollars over this year—and that's just the *increase*.

We've amassed a total debt of more than 3 billion dollars, about 3 thousand dollars for every man, woman, and child in the City and County of Honolulu.

The prior administration deferred 925 million in debt service and operating expenses, such as repairs, equipment, technology, and all the basics of efficient government. They refinanced maturing debt for no apparent purpose, with the result being an increase in our debt obligation of 29 million dollars. They shifted money set aside for capital improvements—that's money from long-term loans—to pay for daily operating expenses, only compounding our debt obligation by another 12 million.

Meanwhile, employee health insurance contributions will continue to climb. Pension costs will go from 47 million dollars in FY 05 to 62 million in 2006. And, as you know, my predecessor never budgeted for anticipated employee pay raises.

If that weren't enough, they transferred 340 million dollars from the sewer fund and failed to raise sewer fees to cover the shortfall. That segues to my next subject.

## **Sewage**

Since I took office, we have experienced 11 sewage spills. Ten years ago, the Environmental Protection Agency and Department of Health sued the City for our inability to control sewage spills. The settlement, in the form of a consent decree, involved a 20-year plan to address our shortcomings.

However, the previous administration failed to raise sewer fees since 1994 to underwrite the mandated improvements. Instead, they chose to raid the sewer fund and transfer that money to the general fund to avoid having to raise property taxes. We now find ourselves in the difficult position of having to raise sewer fees to make up for lost financial ground, and must play a frantic game of catch-up after too many years of indifference to one of our most pressing needs. The prior administration's approach to the sewage system has led us to yet another lawsuit, which has left taxpayers exposed to a claim of more than one *billion* dollars in court-ordered penalties—yet put us no closer to fixing the sewers.

## **Public Safety**

In public safety, the police continue to have recruiting and retention challenges that have not been properly addressed. These shortages have and will continue to worsen because of activation of military reservists and pending retirements.

The police department has had its budget stretched because officers have been called upon to provide security for unplanned, unbudgeted, feel-good, City-sponsored events, as well as the seemingly endless parade of, well, parades. HPD has been unable to replace its vehicles and equipment at regular intervals, resulting in a deteriorating inventory that cannot be readily or economically maintained.

HPD routinely devotes manpower to operations under the purview of the state government, like responding to calls at state-owned facilities, bomb sweeps, firearm and sex-offender registrations, the JPO program, and appearing in court for traffic violations. The cost is 13.2 million dollars, with no reimbursement by the state.

Over at the Fire Department, repair and maintenance of the fire stations have been deferred for too long. Minor repairs have become major problems, and we estimate that 44 stations need repairs that will cost at least 6 million dollars, if not more.

The Fire Department's fleet of 72 first-line apparatuses—fire engines to you and me—has not been replaced regularly. Twenty-two of the department's vehicles are more than 15 years old. While two engines and one other vehicle should be replaced every year, HFD has received funding for a total of only three engines over the last two years, below the national standard.

That's hardly enough for those who put their lives on the line for us every day.

## **Information Technology**

We have touted our use of the Internet for City business. We may even have been among the early leaders nationwide in adopting advancements in information technology to better serve the public. But our Honolulu-dot-gov Website is a patina masking major shortcomings in our information infrastructure.

Our telecommunications infrastructure—I'm speaking of the microwave system used by our emergency personnel—has not been maintained in more than 10 years. The software for our accounting system is 23 years old, our human resources and payroll transactions operate on a program 15 years old, and the software for our Division of Motor Vehicles record-keeping predates the personal computer at 30-plus years. And, of course, you know our multi-prefix City phone system is 20 years behind the times.

## **Parks and Facilities**

We've spent more than 101 million dollars to develop the Central Oahu Regional Park and Waipio Soccer Complex, but those crown jewels of our park system have come at the expense of other heavily used parks, as you all know. And the millions of dollars that were spent on the Kuhio Avenue and Ala Wai Boulevard projects in the waning days of the previous administration have produced public safety concerns that we must now rectify.

At the 40-year-old Neal Blaisdell Center, another heavily used City facility, the arena is badly in need of a new air-conditioning system. Sections of the parking lot are sinking. The rental fees for the facility haven't been revised in years, so any non-profit organization qualifies for a rate that doesn't come close to our costs just for opening the doors. Our golf courses, which can be major money-makers, are in poor condition, with insufficient staffing and run-down equipment.

Staff shortages of 30 percent in many departments are the norm, and have not only affected our ability to properly serve the public, but had a terrible impact on the morale of our City work force, who have been told year after year to “do more with less.”

At first glance, some might contend that, as a community, we’re doing just fine. We have beautiful parks, so vast they’re called complexes. Waikiki has enjoyed unprecedented improvements. We have Kapolei Hale, a brand new memorial auditorium, traffic roundabouts, and water fountains. They all fulfill one administration’s ambitious dreams of a sustainable city. But they were all built at substantial cost and serve to undermine our City infrastructure and services, which you have complained about from Waianae to Hawaii Kai, from Kalihi to Kahuku.

Multiply these problems across City government and you have an idea of what we’re facing. Despite this rather blunt assessment of the state of the City, I believe we can make significant progress in revitalizing City government by making bold, decisive, courageous decisions with your kokua, patience, and understanding.

Our priorities are six-fold:

We must be honest, truthful, and accountable for the public’s money.

We must ensure that our police, fire fighters, and other first-responders are fully staffed and equipped.

We must repair our roads.

We must fix our sewers and tackle our solid waste and recycling problems.

We must maintain our existing parks and public facilities.

We must find solutions to our traffic headaches.

These are more than issues about City services. These go to the very core of our quality of life, our environment, and our future.

### **Fiscal Accountability**

Fiscal accountability at City Hall begins with the mayor leading by example. I will never ask City employees or the City Council to do anything I am not willing to do myself.

Fiscal accountability emphasizes living within our means. It means tightening our belts and curtailing spending. And it means we've had to make some difficult decisions in only our first two months in office.

We've suspended work on the Waikiki Natatorium to save us from having to pour more good money after bad. We've cut the visioning team program, which at one time had been receiving 39 million dollars a year to erect half-million-dollar neighborhood signs and other frills. We've put a stop to the initial segment of the Bus Rapid Transit system, a 51 million dollar boondoggle that won't put a dent in our mass transportation needs. We've reassigned those costly hybrid buses to heavily trafficked routes.

We just canceled a slew of capital improvement projects, among them 18 construction projects valued at 12.4 million dollars that had been pending for years. We canceled 66 contracts for consulting work alone, valued at 6.9 million. If we had proceeded with construction on all of these projects, the cost to taxpayers would have been 66 million dollars—and who knows how much to maintain them all.

I believe fiscal responsibility must also be tempered with compassion and must make allowances for those who are truly in need.

We realize that soaring home prices have placed a burden on home-owners. While the appreciation in value is a bonus for sellers, we know that the cash-poor home-owner



could use some relief from property taxes. That's why, even in this tight fiscal climate, we're proposing increasing the real property tax credits for very low-income homeowners 55 years and older.

Furthermore, in response to the City Council's request to help our farming community, we are proposing a modest tax break and will work toward reducing it further to enable small farmers to operate and survive at a time when property values everywhere are skyrocketing and development pressures are encroaching on open, productive farm land.

A word of caution: Now is not the time for wholesale rollbacks in property tax rates, as tempting as they may be given the rising revenues. The state of the City is such that it will get worse before it gets better, and we'll need every penny to balance our budget.

## **Public Safety**

A safe and secure community is most important to our quality of life.

Now, some of the major issues facing the police department—recruitment and retention, in particular—will require a determined, long-term effort on our part to compensate our officers for their service and sacrifices on our behalf. Believe me, we will continue our efforts to solve those problems.

In the meantime, we have budgeted 1.8 million dollars for 40 patrol vehicles and provided funds for 15 critically needed additional positions. While we're still playing catch-up, we can at least let our police officers know we recognize their needs and are making a sincere effort to meet them despite the tough fiscal times.

The long-neglected fire stations will receive renovations, to the tune of 2.25 million dollars. That doubles the amount contained in our current year's budget. We're allocating nearly a million dollars for two new fire engines.

We've budgeted 2 million dollars to begin repairs and upgrades to our telecommunications system, absolutely vital to public safety and security.

Again, while these proposals do not come close to meeting all the needs of our police officers and fire fighters, I promise them that *we will make a difference*.

## **Roads**

It's worth noting that the 1989 fiscal year was the all-time *high* for road resurfacing. That year saw 319 miles of "lane miles" resurfaced—a lane mile being a stretch a mile long and 10 feet wide. But that figure plummeted until it reached an all-time *low* of 35 miles in 2000, coinciding with the peak of the previous administration's vision program. Like our sewers, and just about everything else in City government, we need to play catch-up.

Our maintenance of roads will follow a plan and a schedule consisting of three parts. Simply put, the Hannemann administration is declaring a war on potholes, which we will be spelling out in greater detail soon.

The first is that, quite simply, our City road crews will be filling potholes year-round and not only in emergencies. The second part is called first-aid, meaning a three-quarter to one-inch overlay of asphalt on existing roadways in rural areas. We hope to use this method on 30 lane miles between now and December 2006.

The third is major reconstruction of heavily used thoroughfares. Assuming there are no emergencies demanding that we shift our manpower elsewhere, we plan to roll out the work within the next 6 months on Waimano Home Road ... Pupukea Road and Kahuku residential streets ... Makakilo Drive ... Paiwa and Lumiaina in Waipahu... and several major roads in Kaimuki, for starters. More will be announced in the coming months. Altogether, we expect to cover 120 lane miles of roadway between now and December

2006—roughly equal to this current year and marking the beginning of a concerted drive to fix our roads.

But all the roadwork will be for naught if we don't have a comprehensive strategy to plan what and when we do it. That's why the City will introduce a pilot project to identify and reconstruct failed pavement areas in selected test areas. If successful, and we're confident it will be, then we'll expand it to cover subdivision roads across the entire island and put our roads back on a regular *schedule* of repair and resurfacing after years of neglect.

## **Sewers**

I noted earlier that we have not paid enough attention to our sewer system. There were shortcomings in the past administration's efforts to comply with the EPA's mandates. And no financial commitment was ever made to fund those needs. That stops now.

As a clear demonstration of our commitment to improving our wastewater infrastructure, we are calling for sewer fund increases over the next 6 years. In the first year, the average home-owner would see monthly rates rise 8 dollars, from 33 to 41 dollars. That translates to a 25 percent increase the first year. We also foresee a lower 10 percent rate increase in each of the following five years.

We have carefully thought-out and developed a 5-point plan for sewage work that we'll be unveiling to the Council in greater detail shortly. I will be meeting within days with EPA officials to discuss the City's plans and commitments.

However, I can tell you now that we will commit immediately 30 million dollars to replace 66 hundred feet of pipeline along Beachwalk and Ala Wai Boulevard. We'll spend 20 million dollars to line or replace 22 thousand feet of sewage pipes in Saint Louis Heights. In the Wanaao Road and Keolu Drive areas, 16 million dollars will be spent for 66 hundred feet of pipeline. We will continue work on the Kalaheo Avenue

sewer reconstruction in Kailua, a 50 million dollar project that will be completed next year. Meanwhile, we plan to rehabilitate 34 hundred feet of sewer pipelines on Kalaheo Avenue and Mokapu Boulevard to the tune of 15 million dollars in 2007. To the very patient residents of Kailua, I assure you that this administration places the highest priority on completing this sewer rehabilitation in your community.

Additional money is going to improve the Sand Island Waste Water Treatment Plant, the facility that handles the lion's share of our sewage. We will be committing more than 300 million dollars to increase the plant's capacity from 82 million gallons a day to 90 and to make general improvements. Some of that money was appropriated in past years, but most of it is 2005 and 2006 funding.

We're asking our Congressional delegation to pursue federal funding for additional work slated for 2006 and beyond.

We cannot afford to neglect and defer this problem any longer. The long-term impact, not to mention looming civil penalties, would be far more costly.

One more thing before I leave this topic. As I pledged during my campaign for this office, I vow never to use the sewer fund for anything but fixing the sewers. You have my word on that.

### **Solid Waste and Recycling**

I have always said that every part of Oahu should be entitled to the same basic City services. Nowhere is the selective distribution of basic services more evident than in solid waste. My administration pledges to end this unfairness.

I announced earlier that we would be expanding regularly scheduled bulky item pick-up to the Leeward Coast, as the first step in offering island-wide coverage for a service confined for years to urban Honolulu. We begin once-a-month service next Tuesday

from Honokai Hale to Makua. We'll then evaluate our equipment and resource needs before we expand the service in Kapolei and Ewa. I believe this initiative will go a long way toward curbing illegal dumping.

Our goal is to launch again the long-awaited, much-delayed curbside recycling program this June or July in Mililani, Wahiawa, and from Mokuleia to Waimanalo. The rest of the island should begin in the fall when we have an adequate supply of those blue recycling bins.

Our friends on the Waianae Coast will have to bear having a landfill in their back yard for a while longer, as we begin an earnest review of alternative disposal technologies and options. However, we will take steps to minimize its impact on the community by landscaping the landfill entrance, picking up litter more frequently, employing odor control barriers, and completing the long-awaited mauka emergency bypass road for the Waianae Coast.

Furthermore, I have asked former Councilman John DeSoto to help our administration lead a community discussion to formulate a more comprehensive benefits package that will help to offset this burden. One subject I'd like for them to tackle is the growing homelessness problem in the area. As you and I know, this is a statewide concern that merits the involvement of all of us.

## **Parks**

The parks system will be first in line for a model we hope to adapt to other City operations. We simply cannot continue to build park after park without a proper maintenance plan.

Our Central Oahu Regional Park and Pool and Waipio Soccer Complex, for example, were built with, I would guess, nary a thought to long-term maintenance costs. You should know that it costs taxpayers 2.35 million dollars a year to operate those facilities

alone. I can't think of a better example of my capital improvements dictum: Do we need it? Can we afford it? Can we maintain it?

We will be hiring an experienced consultant to work with our Department of Parks and Recreation to develop maintenance plans for all of our parks, from the mega-complex to the pocket neighborhood park. We need hard money to keep our 290 parks operating and that demands we take a hard, realistic look at how much we're spending and what we need to maintain them.

We'll also begin preliminary work on establishing new user fees, an authority the Council granted the administration some time ago, but which it never implemented.

### **Transportation and Traffic**

We've reached, if not passed, the boiling point on our traffic problems.

We have identified short-term fixes to ease traffic congestion, and are working toward longer-term answers to our transportation needs.

We have begun cooperating with the state on a number of these fixes. First among them is consolidating the separate traffic control centers operated by the state and City. We've asked Governor Lingle to consolidate the combined functions at the City, where traffic engineers can then optimize the synchronization of traffic signals and make other improvements to the flow of traffic.

We have invited state Transportation Director Rod Haraga to co-lead the Traffic Flow Council, dubbed T-Flo, a public-private partnership of organizations that affect, or are affected by, traffic congestion. T-Flo will be charged with coordinating road work to minimize traffic disruption.

One of my campaign promises was to support the continued growth of West Oahu, particularly Kapolei, so people can live in the same communities where they work. Toward that end, I work and have begun weekly meetings at Kapolei Hale, and my cabinet meets there once a month. We have slated more City operations to relocate to Kapolei and I intend to ensure that building is fully occupied, and soon. I applaud all the public and private sector entities that have expressed their desire to join us as neighbors.

We are also pursuing launching a ferry system, again from Leeward Oahu to downtown Honolulu. But, for the first time, our plans will include City buses as part of the network that will carry commuters between the ferry terminals and their destinations.

Our long-term plans include working toward a mass transit system, in the continued absence of any realistic long-term alternative. Our intractable congestion problems demand serious consideration of this proposal, now more than ever.

The state Legislature is poised to give us the option of raising the general excise tax by one percent to create a dedicated source of local funding, as required by the federal government. We should be judicious in wielding this authority, if granted. Being the fiscal conservative that I am, I always regard raising taxes as the last option.

And though I described this tax levy as an option, I might add that doing nothing is not an option. I'm convinced that a mass transit system can be built and operated with the cooperation of the public and private sectors, as is being done for the Dulles corridor project in Virginia, Portland's MAX Red Line, or major rapid transit projects in Vancouver and Ontario, Canada. The only obstacles to this dream becoming a reality are our creativity, commitment, and courage.

## Planning and Permitting

In addition to those broad priority areas, there were several other urgent needs that required prompt attention.

I can't tell you how many times people have complained to me about the ordeal of seeking plan and permit approvals. Their complaints focus on the lengthy waits in line or the weeks it takes to review their plans and grant their building permits, at a time when the construction industry is booming. Time is money, and nowhere is that more evident than in this sector of our economy.

In just the past two months, we've made a number of immediate improvements in the Department of Planning and Permit. Some of the highlights included hiring 8 new employees to expand a department that has been chronically understaffed. Where picking up a permit once called for taking a number and taking a seat, often for hours, a separate pay-only, pick-up line has been opened so persons picking up permits no longer have to wait in line. For those who do have to wait, the "current number being served" is now posted on-line so applicants know where they stand and when to return to the counter. Feedback has been positive and the number of complaints has dropped.

For first-time permit seekers and owner-builders, the permitting process can be bewildering. We now have a concierge, a part-time permit information officer, on hand to help these novices wade through the system.

We've also planning to roll-out a number of other innovative ideas in the coming months. They include an on-line, pre-application permitting process and a method to allow pre-payments of permit fees for certain types of projects. We're also looking at allowing architects and engineers to receive technical comments made by the permitting staff in real-time via e-mail so they can begin addressing the concerns *during* the review process rather than wait until *after* the lengthy process is completed.



We estimate that there are construction projects valued at 100 million dollars in the permit approval pipeline. Imagine how far the speedy, but judicious, approval of that work on our part will go toward keeping our economy and construction industry healthy and vibrant.

### **Customer Services**

And while we're on the subject of better serving our clients, you'll be pleased to know that, within days, the City will be introducing on-line appointment requests and payments for driver's licensing road tests.

And as I promised in my campaign, Satellite City Halls at Ala Moana Center, Pearlridge, and Windward Mall will be open until 9 p.m., one night a week, as a test of the public's desire for extended business hours. With malls open to 9 at night and Longs and supermarkets open around the clock, it's clear that there's a market to be served and we hope to do our part to help the working man and woman.

We'll be introducing on-line reservation of special license plates, as well as on-line calculation of motor vehicle fees, a tool that will be very helpful to car dealers.

The expanded use of technology will mean that the more time you spend *on-line*, the less time you need to spend *in-line*.

### **Economic Development**

While our economy is doing well, that doesn't mean we should be passive about economic development and private sector job creation. I've always maintained that Honolulu needs to borrow a page from our Neighbor Island counties and be much more involved in driving the economy.

Two of our largest industries—tourism and defense—can expect great support from me given my past experience and the wealth of relationships that I’ve amassed through the years. I stand ready to promote and support these sectors, whether encouraging a business group to hold its convention here or working with the military to maintain a strong presence in the state. Of course, our economy is more than tourism and defense.

Our plans also call for greater private sector participation on programs that heretofore were largely or solely driven by the City, a la Sunset on the Beach. We will adopt that model with upcoming film, sports, and international business initiatives, as well as with potential partnerships with the military, or business groups like Enterprise Honolulu, Small Business Hawaii, and the Chambers of Commerce.

We will follow through on several initiatives put forth during my campaign, including encouraging the development of expanded broadband wireless connectivity in Waikiki and downtown Honolulu ... providing support for knowledge and alternative energy industries as they develop new technologies and new job opportunities ... and reach out to the small business community with support services and simplified, streamlined business information procedures. For example, we have entered into discussions with the state on opening a one-stop business center with the federal government. Located in Chinatown, this center would consolidate City, state, and federal business support activities under one roof.

I also hope to accelerate our efforts to promote culture and the arts, not only as an expression of a mature, sophisticated populace, laden with a rich multi-ethnic heritage, but as an opportunity for business and commerce to prosper. We can tap the cultural vitality of Chinatown and downtown Honolulu, build on existing venues like the Arts Center at Mark’s Garage or First Night, and invite the contributions of Southeast Asian and other newcomers to this mix in working with the residents of Chinatown to bolster a cultural renaissance in the heart of Honolulu.

Thanks to the U.S. Conference of Mayors, I have been selected as one of eight mayors to attend an all-expenses paid conference in Charleston, South Carolina, where I will meet with prominent architects and engineers to hear from them how we can come up with ideas for Chinatown and urban Honolulu, which I'll be anxious to share with you upon my return.

### **City Work Force**

Of course, we're only as good as the people around us. The mayor and City Council articulate and promulgate policies, but it takes City employees to cross the t's and dot the i's. Our Mayor's Review pointed out that we have a dedicated and competent corps of City employees who can be inspired and motivated with the right type of leadership.

I have set aside money in the FY 06 budget to accelerate employee training, a staple so common in the private sector but largely ignored in City government in past years. We'll be devoting more money for our technology needs so employees can do their jobs faster and smarter. And, with the Council's consent, we are prepared to offer modest pay raises for our employees.

### **Conclusion**

There are so many other things I wanted to describe to you today, but I decided to concentrate on some of the more prominent initiatives, on actions we've taken or are about to take to address the myriad, and I do mean myriad, issues and concerns before us.

This is just the beginning. Let me close by restating our priorities. To you, the members of this august legislative body, we need to do a better job of watching over and spending the people's monies. We must focus on basic City services. We must take better care of our environment by taking corrective action on roads, sewers and solid waste, parks, and public safety. If we don't take decisive action today, the next generation will ask, "Why?" Why didn't we act? Why didn't we stop the deterioration of our quality of life?

You love this city as much as I do; you are here because you want to make a difference. For us, procrastination and political paralysis are not acceptable. We need to work together, emphasize solutions, and make timely decisions.

And to the people of Honolulu, I beseech each and every one of you, that if you love Honolulu, like I do, that you step forward and do more to contribute to the betterment of our island home.

In essence, to get us through this fiscal crunch, we need every one of you to think of yourself as a member of a Neighborhood Board, PTSA, community association, church, or your son or daughter's athletic team, where each of you spends a little more time each month than the average citizen to ensure the greater good. In the coming months and years, my co-leaders and I at City Hall will ask you to be more engaged, be willing to make more sacrifices with your time and energy, and be willing to pay for those City services that perhaps we've all taken for granted for too long.

Today, in my first state of the City address, I have offered some of my ideas and shared my *mana'o* on how we can begin the task of revitalizing City government to get us back on the right track for the sake of our future well-being and prosperity. I look forward to hearing yours.

This is about cooperation and teamwork in restoring faith and confidence in the ability of government to meet the needs of our people. As I have said in many parts of the island, it's not about whose idea it is or who gets the credit. It's all about the best idea that will ultimately result in what's best for the people of Honolulu.

Finally, this year marks the centennial of the City and County of Honolulu. There is much to cherish about our proud past: our rich Hawaiian heritage and our world-renown spirit of aloha. As a keiki o ka aina, I pledge to always honor and respect these Polynesian roots and values that we have been blessed to inherit.

We have established a commission, with the Council's input, that will plan activities to mark this milestone in our history with the active support and participation of our Office of Culture and Arts and the Royal Hawaiian Band.

While there is much to celebrate about our proud past, we should also use this occasion to reaffirm our commitment to changing the culture at City Hall, to working with our co-leaders in government, and to making Honolulu the best place to live, work, and raise our families.

Mahalo.

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